

State of Iowa - Return on Investment Program / IT Project Evaluation**SECTION 1: PROPOSAL**

Tracking Number (For Project Office Use)

Project Name: RA9 UCC Date: 07/14/00Agency Point of Contact for Project: **Harry Davis**Agency Point of Contact Phone Number / E-mail: **281-6560 harry@sos.state.ia.us**Executive Sponsor (Agency Director or Designee) Signature: **Dean Lerner**

Is this project necessary for compliance with a Federal standard, initiative, or statute? (If "Yes," cite specific requirement, attach copy of requirement, and explain in Proposal Summary) ☐ Yes ☒ No

Is this project required by State statute? (If "Yes," explain in Proposal Summary) ☒ Yes ☐ No

Does this project meet a health, safety or security requirement? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No

Is this project necessary for compliance with an enterprise technology standard? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No

Does this project contribute to meeting a strategic goal of government? (If "Yes," explain in Proposal Summary) ☒ Yes ☐ No

Is this a "research and development" project? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No

PROPOSAL SUMMARY:

Is this project required by State Statute?

The passage of House File 2513 requires project completion not later than July 1, 2001. Successful completion will result in a UCC Information Management System that complies with the requirements of House File 2513.

Does this project contribute to meeting a strategic goal of government?

This project will further the Leadership Agenda goal of the Governor's office to promote "Iowa . . . [as] a world leader in the new economy." It will contribute to the preparation of Iowa's business community for future growth and development. The project also furthers the goal that "government information and services will be offered when and where it is convenient to Iowans." Iowa's implementation of Revised Article 9 of the Uniform Commercial Code is vital to interstate commerce and a primary concern to our state's lenders. The failure to completely fulfill the responsibilities of the Secretary of State under Article 9 of the new UCC by the statutory deadline of July 1, 2001, would have a negative impact upon the Iowa

economy. Iowa would be out of step with the rest of the nation in the uniform treatment of UCC filings.

In written detail, explain why the project is being undertaken and the results that are expected. This includes, but is not limited to, the following:

The rationale for undertaking this project is, foremost, that it is required by law. The General Assembly and the Governor mandated the implementation of Revised Article 9 in House File 2513, signed into law on April 26, 2000.

1. A pre-project (before implementation) and a post-project (after implementation) description of the system or process that will be impacted.

The implementation of Revised Article 9 requires extensive modification to the current computer program logic. The procedures for indexing and search logic have completely changed. New options for searches have been added. New standards for data formatting have been implemented. EDI, ANSI X12 implementation standards have been revised. The mechanics of how the UCC Information Management System operates have been completely revamped.

2. A summary of the extent to which the project provides tangible and intangible benefits to either Iowa citizens or to State government. Included would be such items as qualifying for additional matching funds, improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, complying with enterprise technology standards, meeting a strategic goal, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, complying with federal or state laws, etc.

Implementation of House File 2513 will keep Iowa in step with the rest of the country. This will prevent problems for lenders, borrowers and the Iowa Judicial System. It will help to ensure that Iowans are capable of acquiring credit at the lowest possible cost. Implementation is required by law and meets at least two strategic goals of government.

3. A summary that identifies the project stakeholders and how they are impacted by the project.

Lenders of secured credit will continue to be able to lend and perfect their security interests with certainty in the revised UCC Information Management System. The implementation of the new law clarifies to lenders how the registration system works and attempts to obtain uniformity among all states. The end result is to establish the priority of the lender's claim to the collateral with certainty. This in turn will create more credit, at cheaper rates, for the benefit of all Iowans. HF 2513 was introduced on behalf of the Iowa State Bar Association, the Iowa State Bankers Association and others. Letters have been sent to Director Varn by project stakeholders regarding the impact of Revised Article 9.

SECTION 2: PROJECT PLAN

Individual project plans will vary depending upon the size and complexity of the project. A project plan includes the following information:

1. Agency Information

Project Executive Sponsor Responsibilities: Identify, in Section I, the executive who is the sponsor of the project. The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

Organization Skills: Identify the skills that are necessary for successful project implementation. Identify which of these skills are available within the agency and the source(s) and acquisition plan for the skills that are lacking.

Skills not available within the agency will be acquired through an RFP or directly procured by the agency through service providers on state contract.

Skills Available Within Agency:
Project Management

Skills Lacking Within Agency:
VB Programming
MS\SQL
EDI
MS\Interdev Programming
Integrator skills necessary to integrate fax, email, image print services, accounting, and credit card services.

2. Project Information

Mission, Goals, Objectives: The project plan should clearly demonstrate that the project has developed from an idea to a detailed plan of action. The project plan must link the project to an agency's mission, goals, and objectives and define project objectives and how they will be reached. The project plan should include the following:

- A. **Expectations:** A description of the purpose or reason that the effort is being undertaken and the results that are anticipated.

The purpose of the project is to implement H.F. 2513 as required by law.

The anticipated results are that the UCC Information Management System will be completely modified to meet the requirements of the new law by July 1, 2001.

- B. **Measures:** A description of the set of beliefs, tradeoffs and philosophies that govern the results of the project and their attainment. How is the project to be judged or valued? What criteria will be used to determine if the project is successful? What happens if the project fails?

If the project is not successfully completed, there would be a negative impact upon the Iowa economy. Legal issues would arise for lenders, borrowers and the Iowa Judicial System because Iowa would be out of step with the rest of the country. The amount of available credit for Iowans could decrease and the cost of credit for Iowans could increase.

The project will be deemed successful if all of the following tasks are completed before April, 2001:

I. Software Development:

- 1) write a UCC software application to comply with RA9***
- 2) write an imaging application interface to the new UCC RA9 software***
- 3) write and configure our EDI translator to comply with RA9***
- 4) modify our web DB application to accommodate the RA9 UCC application***
- 5) develop a printing interface between the RA9 DB and our revised imaging architecture***
- 6) write user and technical documentation for the complete RA9 system***

II. Data Conversion:

- 1) convert, edit and scrub all data being migrated to the RA9 system***
- 2) convert all images to group 4 tiff for the RA9 system***
- 3) test all aspects of RA9 system for compliance and with RA9 per HF2513***

III. Training and Information:

- 1) train user***
- 2) train technical staff***
- 3) inform lending community and other project stakeholders***
- 4) write, adopt and publish administrative rules as required by law***

- C. **Environment:** Who will provide input (e.g., businesses, other agencies, citizens) into the development of the solution? Are others creating similar or related projects? Are there cooperation opportunities?

The requirements of the system are created by the requirements of the law. There will be an opportunity for review of the Administrative Rules as required by House File 2513 and the rulemaking process.

The operation of the UCC Information Management System is unique to this office and not duplicated by any other state entity. Cooperative opportunities with other states have been explored, but to date none have seemed to offer the opportunity for savings.

- D. **Project Management and Risk Mitigation:** A description of how you plan to manage the project budget, project scope, vendors, contracts and business process change (if applicable). Describe how you plan to mitigate project risk.

The project scope will be fully analyzed and planned before development commences. Specifications for coders will be complete and fully finalized prior to assigning tasks to programmers. We intend to write the code only once. We will avoid feature creep and have a firm procedure in place for changes and modifications which evaluates the costs and risks associated with each potential change to the approved system design. We will use prototyping whenever possible to help provide for risk reduction throughout the project.

- E. **Security / Data Integrity / Data Accuracy / Information Privacy:** A description of the security requirements of the project? How will these requirements be integrated into the project and tested. What measures will be taken to insure data integrity, data accuracy and information privacy?

All information in the UCC Information Management System is public information. We have always made this information easily available to the public and will continue to do the same.

System security requirements will address the physical security of the system as well as limitations on electronic access. In addition to utilities available within the MS SQL Server environment, there will be database edit programs developed that will be run on a predetermined schedule to ensure that all aspects of the database and associated image file environment are maintained with the highest degree of integrity. In addition, the system will time-stamp all additions and modifications to the database by user ID, date and time. Application modification control procedures will also be developed to provide for a systematic and controlled process in changing application code.

A section of the administrative rules will require the office to make public the way in which we protect the data. This creates confidence for lenders in the system's operation. They rely upon this system to establish their legal position in case of default.

3. Current Technology Environment (Describe the following):

A. Software (Client Side / Server Side / Midrange / Mainframe)

- Application software
- Operating system software
- Interfaces to other systems: Identify important or major interfaces to internal and external systems

Workstations run on either Windows 95 or Windows 98. Off-the-shelf application software consists mainly of Microsoft's office suite products. Server operating systems consist of Novell, Windows NT and Wang VS/OS. We are in the process of completely eliminating Novell and the Wang VS/OS operating systems. We have databases currently running in the Wang VS environment in Adabas and also in the NT environment running on MS/SQL. The primary interface to other systems is accomplished through TCP/IP.

One database application runs on the ITD mainframe.

B. Hardware (Client Side / Server Side / Mid-range / Mainframe):

- Platform, operating system, storage and physical environmental requirements.
- Connectivity and Bandwidth: If applicable, describe logical and physical connectivity.
- Interfaces to other systems: Identify important or major interfaces to internal and external systems.

Hardware on the client side consists of PC's networked to our NT, Novell and Wang Servers. We are attached to the campus backbone and communicate using TCP/IP Protocol. We use TN3270 for connection to ITD's mainframe. We are in the process of eliminating the Wang and Novell servers.

4. Proposed Environment (Describe the following):

The proposed environment is identical to the present, with the exception of additional EDI software.

A. Software (Client Side / Server side / Mid-range / Mainframe)

- Application software.
- Operating system software.
- Interfaces to other systems: Identify important or major interfaces to internal and external systems.
- General parameters if specific parameters are unknown or to be determined.

B. Hardware (Client Side / Server Side / Mid-range / Mainframe)

- Platform, operating system, storage and physical environmental requirements.
- Connectivity and Bandwidth: If applicable, describe logical and physical connectivity.
- Interfaces to other systems: Identify important or major interfaces to internal and external systems.
- General parameters if specific parameters are unknown or to be determined.

Data Elements: If the project creates a new database the project plan should include the specific software involved and a general description of the data elements.

The RA9 UCC Information Management System will be MS VB6 front end against an MS SQL 7 DB.

The following is a sample of some of the beginning database design considerations:

**C:\Development\UCC\UCC.mdb
Table: uccFiling**

**Thursday, July 13, 2000
Page: 1**

Properties

Linked ODBC

**Date Created: 7/6/00 12:05:55 PM
RecordCount: -1
Updatable: False**

**Attributes: Password Saved,
Connect:**

**Last Updated: 7/6/00 12:06:02 PM
Source Table Name: dbo.uccFiling**

Columns

| Name | Type | Size |
|------------------------|-----------------------|-------------|
| FilingID | : Delete Query | 16 |
| LienID | : Delete Query | 16 |
| FilingNumber | Text | 9 |
| FileDate | Date/Time | 8 |
| FileTime | Date/Time | 8 |
| Pages | : Delete Query | 16 |
| FileType | Text | 1 |
| UserID | Text | 50 |
| Comment | Memo | - |
| MaintenanceDate | Date/Time | 8 |
| EFiling | Byte | 1 |
| EntryDate | Date/Time | 8 |
| EntryUserID | Text | 10 |
| EntryStatus | Text | 3 |

C:\Development\UCC\UCC.mdb
Table: uccFilingType

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Page: 2

Properties

Linked ODBC

Date Created: 7/6/00 12:05:55 PM
RecordCount: -1
Updatable: False

Attributes: Password Saved,
Connect:

Last Updated: 7/6/00 12:06:06 PM
Source Table Name: dbo.uccFilingType

Columns

| Name | Type | Size |
|------------------------|-------------|-------------|
| FileType | Text | 1 |
| FileDescription | Text | 50 |

C:\Development\UCC\UCC.mdb
Table: uccLien

Thursday, July 13, 2000
Page: 3

Properties

Linked ODBC

Date Created: 6/7/00 4:02:15 PM
RecordCount: -1
Updatable: False

Attributes: Password Saved,
Connect:

Last Updated: 6/20/00 8:15:40 AM
Source Table Name: dbo.uccLien

Columns

| Name | Type | Size |
|------------------------|-----------------------|-------------|
| LienID | : Delete Query | 16 |
| LienType | Text | 3 |
| OriginationDate | Date/Time | 8 |
| LapseDate | Date/Time | 8 |
| NoLapse | Byte | 1 |
| Status | Text | 10 |
| Comment | Memo | - |
| MaintenanceDate | Date/Time | 8 |
| UserID | Text | 10 |

C:\Development\UCC\UCC.mdb
Table: uccLienType

Thursday, July 13, 2000
Page: 4

Properties

Linked ODBC

Date Created: 6/7/00 4:02:15 PM
RecordCount: -1
Updatable: False

Attributes: Password Saved,
Connect:

Last Updated: 6/20/00 12:34:35 PM
Source Table Name: dbo.uccLienType

Columns

| Name | Type | Size |
|---------------------|-----------------------|-------------|
| LienType | Text | 3 |
| Description | Text | 100 |
| DurationUnit | Text | 10 |
| Duration | : Delete Query | 16 |

C:\Development\UCC\UCC.mdb
Table: uccParty

Thursday, July 13, 2000
Page: 5

Properties

Linked ODBC

Date Created: 7/10/00 2:30:37 PM
RecordCount: -1
Updatable: False

Attributes: Password Saved,
Connect:

Last Updated: 7/10/00 2:30:41 PM
Source Table Name: dbo.uccParty

Columns

| Name | Type | Size |
|------------------|----------------|------|
| PartyID | : Delete Query | 16 |
| FilingID | : Delete Query | 16 |
| PartyType | : Delete Query | 16 |
| PartyStatus | Text | 3 |
| NameType | Text | 1 |
| BusName | Text | 100 |
| FirstName | Text | 50 |
| MiddleName | Text | 50 |
| LastName | Text | 50 |
| Prefix | Text | 50 |
| Suffix | Text | 50 |
| Address1 | Text | 50 |
| Address2 | Text | 50 |
| City | Text | 50 |
| State | Text | 2 |
| Zipcode | Text | 10 |
| ForeignAddress | Text | 100 |
| Phone | Text | 50 |
| MaintenanceDate | Date/Time | 8 |
| UserID | Text | 50 |
| StandardizedName | Text | 200 |

C:\Development\UCC\UCC.mdb
Table: uccPartyStatus

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Page: 6

Properties

Linked ODBC

Attributes: Password Saved,
Connect:

Date Created: 6/20/00 12:34:21 PM

Last Updated: 6/20/00 12:34:32 PM

RecordCount: -1

Source Table Name: dbo.uccPartyStatus

Updatable: False

Columns

| Name | Type | Size |
|--------------------|-------------|-------------|
| PartyStatus | Text | 3 |
| Description | Text | 50 |

Properties

Linked ODBC

Attributes: Password Saved,
Connect:
Date Created: 6/20/00 12:34:21 PM Last Updated: 6/20/00 12:34:28 PM
RecordCount: -1 Source Table Name: dbo.uccPartyType
Updatable: False

Columns

| Name | Type | Size |
|------------------|----------------|------|
| PartyType | : Delete Query | 16 |
| PartyDescription | Text | 50 |

Project Schedule: A schedule that includes: time lines, resources, tasks, checkpoints, deliverables and responsible parties.

Following are the planned completion dates for implementation of the RA9 UCC Information Management System. We plan to manage this project with the use of Microsoft Project 2000 software. This will greatly assist us in managing the dependencies of the project along with the human resources, budget and time constraints.

Plan and Schedule

The Contractor shall meet the following project schedule and description of milestones:

| | |
|------------|--|
| 09/30/2000 | Completion of prototype base UCC system without imaging, accounting, faxing, email, print server services, EDI, or web-based filing. A substantial number of test documents converted and loaded (50,000 – 100,000). |
| 10/31/2000 | Imaging complete with print server services. |
| 11/30/2000 | Faxing and email complete. |
| 12/30/2000 | Accounting interface complete. |
| 02/28/2001 | EDI and web-based filing complete. |
| 03/31/2001 | Data conversion complete. Training complete, acceptance testing begins with all modules in production. |
| 04/30/2001 | Completion of acceptance period, system ready for production. |
| 07/01/2001 | System goes into production. |

SECTION 3: Return On Investment (ROI) Financial Analysis

Project Budget:

Provide the estimated project cost by expense category.

| | |
|-----------------------------|-----------|
| Personnel | \$ _____ |
| Software | \$ _____ |
| Hardware..... | \$ _____ |
| Training | \$ _____ |
| Facilities | \$ _____ |
| Professional Services | \$350,000 |
| Supplies | \$ _____ |
| Other (Specify)..... | \$ _____ |
| Total..... | \$350,000 |

Project Funding:

Provide the estimated project cost by funding source.

| | | | |
|----------------------------|-----------|-----|-----------------|
| State Funds..... | \$350,000 | 100 | % of total cost |
| Federal Funds..... | \$ _____ | | % of total cost |
| Local Gov. Funds..... | \$ _____ | | % of total cost |
| Private Funds..... | \$ _____ | | % of total cost |
| Other Funds (Specify)..... | \$ _____ | | % of total cost |
| Total Cost: | \$350,000 | 100 | % of total cost |

How much of the cost would be incurred by your agency
from normal operating budgets (staff, equipment, etc.)?\$000,000 0 %

How much of the cost would be paid by "requested IT project funding"? ..\$350,000 100%

Provide the estimated project cost by fiscal year: FY01_____ \$350,000

FY02_____ \$000,000

FY03_____ \$000,000

ROI Financial Worksheet Directions (Attach Written Detail as Requested):

Annual Pre-Project Cost -- Quantify, in written detail, all actual State government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Annual Post-Project Cost -- Quantify, in written detail, all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

State Government Benefit -- Subtract the total “Annual Post-Project Cost” from the total “Annual Pre-Project Cost.” This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Citizen Benefit -- Quantify, in written detail, the estimated annual value of the project to Iowa citizens. This includes the “hard cost” value of avoiding expenses (hidden taxes) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses.

Opportunity Value/Risk or Loss Avoidance Benefit -- Quantify, in written detail, the estimated annual benefit to Iowa citizens or to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Total Annual Project Benefit -- Add the values of all annual benefit categories.

Total Annual Project Cost -- Quantify, in written detail, the estimated annual new cost necessary to implement and maintain the project including consulting fees, equipment retirement, ongoing expenses (i.e. labor, etc.), other technology (hardware, software and development), and any other specifically identifiable project related expense. In general, to calculate the annual hardware cost, divide the hardware and associated costs by three (3), the useful life. In general, to calculate the annual software cost, divide the software and associated costs by four (4), the useful life. This may require assigning consulting fees to hardware cost or to software cost. A different useful life may be used if it can be documented.

Benefit / Cost Ratio -- Divide the “Total Annual Project Benefit” by the “Total Annual Project Cost.” If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

ROI -- Subtract the “Total Annual Project Cost” from the “Total Annual Project Benefit” and divide by the amount of the project funds requested.

Benefits Not Cost Related or Quantifiable -- List the project benefits and articulate, in written detail, why they (IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.) are not cost related or quantifiable. Rate the importance of these benefits on a “1 – 10” basis, with “10” being of highest importance. Check the “Benefits Not Cost Related or Quantifiable” box in the applicable row.

ROI Financial Worksheet

| Annual Pre-Project Cost - How You Perform The Function(s) Now | |
|--|-----------------|
| FTE Cost (salary plus benefits): | NA |
| Support Cost (i.e. office supplies, telephone, pagers, travel, etc.): | NA |
| Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.): | NA |
| A. Total Annual Pre-Project Cost: | NA |
| Annual Post-Project Cost – How You Propose to Perform the Function(s) | |
| FTE Cost: | NA |
| Support Cost (i.e. office supplies, telephone, pagers, travel, etc.): | NA |
| Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.): | NA |
| B. Total Annual Post-Project Cost: | NA |
| State Government Benefit (= A-B): | NA |
| Annual Benefit Summary | |
| State Government Benefit: | NA |
| Citizen Benefit (including quantifiable “hidden taxes”): | NA |
| Opportunity Value and Risk/Loss Avoidance Benefit: | NA |
| C. Total Annual Project Benefit: | NA |
| D. Total Annual Project Cost: | NA |
| Benefit / Cost Ratio (C / D): | _____ |
| ROI (C – D / Project Funds Requested): | ___ <u>NA</u> % |
| X Benefits Not Cost Related or Quantifiable (including non-quantifiable “hidden taxes”) | |

10 – Required by HF 2513.